

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 07108 110607Z

ACTION TRSE-00

INFO OCT-01 EA-07 NEA-10 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-01 PA-01 PRS-01 IO-13

/105 W

-----120906Z 003948 /23

R 110524Z MAY 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 9531

INFO AMEMBASSY DACCA

LIMITED OFFICIAL USE MANILA 7108

USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 8/11/77

TAGS: EAID, EFIN

SUBJECT: ADB APPROVES LOAN TO BANGLADESH FOR KHULNA-MONGLA

ROAD PROJECT

REF: (A) MANILA 6238, (B) TRSY 77-59, (C) DACCA 2388

1. ADB BOARD OF DIRECTORS ON MAY 10 APPROVED SUBJECT LOAN.
PRESS RELEASE BEING POUCHED.

2. SEVERAL DIRECTORS EXPRESSED SURPRISE THAT ROAD TRANSPORTATION COULD BE MORE ECONOMICAL THAN WATER TRANSPORTATION, ESPECIALLY IN VIEW OF INCREASED EFFICIENCIES IN WATER TRANSPORT ASSUMED IN BANK'S COMPARATIVE COST ANALYSIS. OPINION VARIED AMONG THESE DIRECTORS AS TO WHETHER BANK HAD ADEQUATELY EXPLAINED THEIR FINDING IN THIS AREA. STAFF GENERALLY AVOIDED GENERALITIES AND STUCK WITH THEIR CALCULATIONS; HOWEVER, THEY WERE UNABLE TO ANSWER ONE DIRECTOR'S OBSERVATION THAT EIRR CALCULATION DID NOT TAKE ACCOUNT, ON ROAD SIDE, OF COST OF LOST FOOD PRODUCTION ARISING FROM LANDS TAKEN OUT OF FARMING.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 07108 110607Z

3. AUSTRALIAN DIRECTOR ASKED IF BRIDGE MIGHT NOT BE MORE ECONOMICAL THAN FERRY (AT KHULNA) IN LONG RUN.

STAFF RESPONDED THAT APART FROM DIFFERENCE IN CAPITAL COSTS (\$6 MILLION FOR BRIDGE, \$2.8 MILLION FOR FERRY), OPERATING COSTS OF BRIDGE WOULD BE PROHIBITIVELY HIGH IN EARLY YEARS. QUESTION OF RAILWAY BRIDGE NOT RAISED.

4. LABOR-INTENSIVE ASPECT OF PROJECT CAME IN FOR SOME QUESTIONING, SINCE IT APPARENTLY IS FACTOR IN HIGHER OVERALL COST OF PROJECT, LONGER PERIOD OF IMPLEMENTATION (VS. CAPITAL-INTENSIVE APPROACH), MORE INTENSIVE (THEREFORE, MORE EXPENSIVE) CONSULTANT SERVICES, AND PERHAPS EVEN IN DECISION TO UNDERTAKE LOCAL CURRENCY FINANCING. STAFF RESPONSE RELIED HEAVILY ON GOVT'S GENERAL PREFERENCE FOR LABOR-INTENSIVE APPROACH WHEEVER FEASIBLE.

5. PHILIPPINE AND KOREAN DIRECTORS QUESTIONED AMOUNT OF PREPARATORY WORK, INCLUDING ALLEGEDLY EXCESSIVE NUMBER OF BANK MISSIONS FOR A PROJECT DEEMED PRIMA FACIE VIABLE AND NOT TECHNICALLY COMPLEX. IN THIS CONNECTION, DUTCH ALTERNATE DIRECTOR ASKED WHETHER PERMANENT BANK OFFICE MIGHT NOT BEEN HELPFUL IN PROJECT IMPLEMENTATION. ADB PRESIDENT EXPRESSED TENTATIVE OPPOSITION TO PRINCIPLE OF PERMANENT BANGLADESH OFFICE, STRESSING COST AND TENDENCY OF SUCH OFFICES TO EXPAND. HE THEN FAILED TO RESPOND TO REPEATED REQUESTS OF UK DIRECTOR FOR A PAPER ON SUBJECT.
STULL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, BANK LOANS, HIGHWAYS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 11-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA07108
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770167-0434
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770571/aaaaciuo.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b1bcba96-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MANILA 6238, 77 DACCA 2388
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2570848
Secure: OPEN
Status: NATIVE
Subject: ADB APPROVES LOAN TO BANGLADESH FOR KHULNA-MONGLA ROAD PROJECT
TAGS: EAID, EFIN, ADB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b1bcba96-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009